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SENATE BILL 5766

59th Legislature

2005 Regular Session

By Senators Honeyford, Sheldon, McCaslin and Hargrove

State of Washington

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Read first time 02/04/2005. Referred to Committee on Labor, Commerce, Research & Development.

AN ACT Relating to regulating the business of installing pumps in potable water and wastewater systems for domestic or commercial use; amending RCW 18.27.010, 18.27.040, 18.106.020, 19.28.041, and 19.28.131; adding new sections to chapter 18.27 RCW; and prescribing penalties.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. Sec. 1. A new section is added to chapter 18.27 RCW, to be codified between RCW 18.27.390 and 18.27.900, to read as follows:

The definitions in this section apply throughout sections 1 and 4 through 15 of this act unless the context clearly requires otherwise.

- (1)(a) "Inhabitable building" means any structure intended or used:
 (i) As a dwelling, or for the lodging of persons, including a garage attached thereto; (ii) for the carrying on of any business therein; or (iii) for the commercial use, sale, or deposit of goods; and
- 15 (b) "Inhabitable building" does not include any structure, commonly 16 referred to as a "pump house" or "garage," that is detached from an 17 inhabitable building as otherwise defined in this section and used for 18 no purpose other than the storage or protection of:

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(i) Any of the following potable water or wastewater pressurization or filtration equipment: Wellhead; pitless adapter; pumps, pipes, and pipe fittings (not including sinks, toilets, or other plumbing fixtures other than hose bibs); filtration, softening, and treatment equipment; pressure and storage tanks; electric panel, wiring, controls, conductors, telemetry, and auxiliary components; or

- (ii) Tangible personal property for other than commercial purposes.
- (2) "Potable water or wastewater system pump work" means the installation, maintenance, and repair of the pressurization and filtration components of a potable water or wastewater system, consisting of one or more pumps, pressure tanks, filtration equipment, and necessary plumbing and electrical connections that:
- (a) Are located entirely (i) outside of an inhabitable building; or (ii) within the interior space of not more than one room or confined space of an inhabitable building (including but not limited to an attic, crawl space, or attached garage), which room or space is separated from the living area of the inhabitable building by a lockable entrance and fixed walls, ceiling, or floor;
- (b) Are connected to plumbing supplied and installed into the interior room or space by a specialty plumber, or a journeyman plumber as defined in RCW 18.106.010;
- (c) Are connected to electrical service supplied and installed into the interior room or space by a person who, pursuant to RCW 19.28.161, possesses a valid certificate of competency as a master journeyman electrician, journeyman electrician, master specialty residential electrician, or a properly supervised electrical trainee; and
- (d) Do not include any plumbing fixtures, mechanisms, or devices to distribute or access potable or wastewater within the building, nor any electric components other than as are necessary for maintenance, safety, and testing purposes relating to the pressurization and filtration portion of the system.
- 33 (3) "Pump installer advisory board" means the advisory board stablished in section 8 of this act.
- **Sec. 2.** RCW 18.27.010 and 2001 c 159 s 1 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

- (1) "Contractor" means any person, firm, or corporation who or which, in the pursuit of an independent business undertakes to, or offers to undertake, or submits a bid to, construct, alter, repair, add to, subtract from, improve, move, wreck or demolish, for another, any building, highway, road, railroad, excavation or other structure, project, development, or improvement attached to real estate or to do any part thereof including the installation of carpeting or other floor covering, the erection of scaffolding or other structures or works in connection therewith or who installs or repairs roofing or siding; or, who, to do similar work upon his or her own property, employs members of more than one trade upon a single job or project or under a single building permit except as otherwise provided herein. "Contractor" includes any person, firm, corporation, or other entity covered by this subsection, whether or not registered as required under this chapter.
 - (2) "Department" means the department of labor and industries.
- (3) "Director" means the director of the department of labor and industries or designated representative employed by the department.
- (4) "General contractor" means a contractor whose business operations require the use of more than two unrelated building trades or crafts whose work the contractor shall superintend or do in whole or in part. "General contractor" shall not include an individual who does all work personally without employees or other "specialty contractors" as defined in this section. The terms "general contractor" and "builder" are synonymous.
 - (5) "Partnership" means a business formed under Title 25 RCW.
- (6) "Registration cancellation" means a written notice from the department that a contractor's action is in violation of this chapter and that the contractor's registration has been revoked.
- (7) "Registration suspension" means a written notice from the department that a contractor's action is a violation of this chapter and that the contractor's registration has been suspended for a specified time, or until the contractor shows evidence of compliance with this chapter.
- (8) "Residential homeowner" means an individual person or persons owning or leasing real property:

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1 (a) Upon which one single-family residence is to be built and in 2 which the owner or lessee intends to reside upon completion of any 3 construction; or

- (b) Upon which there is a single-family residence to which improvements are to be made and in which the owner or lessee intends to reside upon completion of any construction.
- (9) (9) (a) "Specialty contractor" means a contractor whose operations do not fall within the definition of "general contractor".
- (b) "Specialty contractor with potable water and wastewater system pump endorsement" means a specialty contractor recognized by the department, in accordance with sections 1 and 4 through 15 of this act, as possessing the necessary competency to engage in both the plumbing and electrical work relating only to potable water or wastewater system pump work, as defined in section 1 of this act.
- (10) "Unregistered contractor" means a person, firm, corporation, or other entity doing work as a contractor without being registered in compliance with this chapter. "Unregistered contractor" includes contractors whose registration is expired, revoked, or suspended. "Unregistered contractor" does not include a contractor who has maintained a valid bond and the insurance or assigned account required by RCW 18.27.050, and whose registration has lapsed for thirty or fewer days.
- (11) "Unsatisfied final judgment" means a judgment that has not been satisfied either through payment, court approved settlement, discharge in bankruptcy, or assignment under RCW 19.72.070.
 - (12) "Verification" means the receipt and duplication by the city, town, or county of a contractor registration card that is current on its face, checking the department's contractor registration data base, or calling the department to confirm that the contractor is registered.
- **Sec. 3.** RCW 18.27.040 and 2001 c 159 s 3 are each amended to read 31 as follows:
 - (1) Each applicant shall file with the department a surety bond issued by a surety insurer who meets the requirements of chapter 48.28 RCW in the sum of twelve thousand dollars if the applicant is a general contractor, nine thousand dollars if the applicant is not a general contractor and is a specialty contractor with a potable water and wastewater system pump endorsement who is not a bona fide employee of

another contractor, and six thousand dollars if the applicant is a 1 2 specialty contractor. If no valid bond is already on file with the department at the time the application is filed, a bond must accompany 3 the registration application. The bond shall have the state of 4 Washington named as obligee with good and sufficient surety in a form 5 to be approved by the department. The bond shall be continuous and may 6 7 be canceled by the surety upon the surety giving written notice to the director. A cancellation or revocation of the bond or withdrawal of 8 the surety from the bond automatically suspends the registration issued 9 to the registrant until a new bond or reinstatement notice has been 10 filed and approved as provided in this section. The bond shall be 11 12 conditioned that the applicant will pay all persons performing labor, 13 including employee benefits, for the contractor, will pay all taxes and 14 contributions due to the state of Washington, and will pay all persons furnishing labor or material or renting or supplying equipment to the 15 contractor and will pay all amounts that may be adjudged against the 16 17 contractor by reason of breach of contract including negligent or improper work in the conduct of the contracting business. A change in 18 the name of a business or a change in the type of business entity shall 19 not impair a bond for the purposes of this section so long as one of 20 21 the original applicants for such bond maintains partial ownership in 22 the business covered by the bond.

(2) At the time of initial registration or renewal, the contractor shall provide a bond or other security deposit as required by this chapter and comply with all of the other provisions of this chapter before the department shall issue or renew the contractor's certificate of registration. Any contractor registered as of July 1, 2001, who maintains that registration in accordance with this chapter is in compliance with this chapter until the next renewal of the contractor's certificate of registration.

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(3) Any person, firm, or corporation having a claim against the contractor for any of the items referred to in this section may bring suit upon the bond or deposit in the superior court of the county in which the work was done or of any county in which jurisdiction of the contractor may be had. The surety issuing the bond shall be named as a party to any suit upon the bond. Action upon the bond or deposit brought by a residential homeowner for breach of contract by a party to the construction contract shall be commenced by filing the summons and

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complaint with the clerk of the appropriate superior court within two 1 2 years from the date the claimed contract work was substantially completed or abandoned. Action upon the bond or deposit brought by any 3 other authorized party shall be commenced by filing the summons and 4 complaint with the clerk of the appropriate superior court within one 5 year from the date the claimed labor was performed and benefits 6 7 accrued, taxes and contributions owing the state of Washington became due, materials and equipment were furnished, or the claimed contract 8 work was substantially completed or abandoned. Service of process in 9 10 an action against the contractor, the contractor's bond, or the deposit shall be exclusively by service upon the department. Three copies of 11 12 the summons and complaint and a fee adopted by rule of not less than 13 twenty dollars to cover the costs shall be served by registered or certified mail, or other delivery service requiring notice of receipt, 14 upon the department at the time suit is started and the department 15 shall maintain a record, available for public inspection, of all suits 16 17 so commenced. Service is not complete until the department receives the fee and three copies of the summons and complaint. The service 18 shall constitute service on the registrant and the surety for suit upon 19 the bond or deposit and the department shall transmit the summons and 20 21 complaint or a copy thereof to the registrant at the address listed in 22 the registrant's application and to the surety within two days after it shall have been received. 23

(4) The surety upon the bond shall not be liable in an aggregate amount in excess of the amount named in the bond nor for any monetary penalty assessed pursuant to this chapter for an infraction. The liability of the surety shall not cumulate where the bond has been renewed, continued, reinstated, reissued or otherwise extended. The surety upon the bond may, upon notice to the department and the parties, tender to the clerk of the court having jurisdiction of the action an amount equal to the claims thereunder or the amount of the bond less the amount of judgments, if any, previously satisfied therefrom and to the extent of such tender the surety upon the bond shall be exonerated but if the actions commenced and pending at any one time exceed the amount of the bond then unimpaired, claims shall be satisfied from the bond in the following order:

37 (a) Employee labor and claims of laborers, including employee 38 benefits;

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- 1 (b) Claims for breach of contract by a party to the construction 2 contract;
 - (c) Registered or licensed subcontractors, material, and equipment;
 - (d) Taxes and contributions due the state of Washington;

(e) Any court costs, interest, and ((attorney's [attorneys'])) attorneys' fees plaintiff may be entitled to recover. The surety is not liable for any amount in excess of the penal limit of its bond.

A payment made by the surety in good faith exonerates the bond to the extent of any payment made by the surety.

- (5) The total amount paid from a bond or deposit required of a general contractor by this section to claimants other than residential homeowners must not exceed one-half of the bond amount. The total amount paid from a bond or deposit required of a specialty contractor by this section to claimants other than residential homeowners must not exceed one-half of the bond amount or four thousand dollars, whichever is greater.
- (6) The prevailing party in an action filed under this section against the contractor and contractor's bond or deposit, for breach of contract by a party to a construction contract, is entitled to costs, interest, and reasonable attorneys' fees. The surety upon the bond is not liable in an aggregate amount in excess of the amount named in the bond nor for any monetary penalty assessed pursuant to this chapter for an infraction.
- (7) If a final judgment impairs the liability of the surety upon the bond so furnished that there is not in effect a bond in the full amount prescribed in this section, the registration of the contractor is automatically suspended until the bond liability in the required amount unimpaired by unsatisfied judgment claims is furnished.
- (8) In lieu of the surety bond required by this section the contractor may file with the department a deposit consisting of cash or other security acceptable to the department.
- (9) Any person having filed and served a summons and complaint as required by this section having an unsatisfied final judgment against the registrant for any items referred to in this section may execute upon the security held by the department by serving a certified copy of the unsatisfied final judgment by registered or certified mail upon the department within one year of the date of entry of such judgment. Upon the receipt of service of such certified copy the department shall pay

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or order paid from the deposit, through the registry of the superior court which rendered judgment, towards the amount of the unsatisfied judgment. The priority of payment by the department shall be the order of receipt by the department, but the department shall have no liability for payment in excess of the amount of the deposit.

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- (10) The director may require an applicant applying to renew or 6 7 reinstate a registration or applying for a new registration to file a bond of up to three times the normally required amount, if the director 8 9 determines that an applicant, or a previous registration of a corporate 10 officer, owner, or partner of a current applicant, has had in the past 11 five years a total of six final judgments in actions under this chapter 12 involving a residential single-family dwelling on two or more different 13 structures.
- 14 (11) The director may adopt rules necessary for the proper administration of the security.
- NEW SECTION. Sec. 4. A new section is added to chapter 18.27 RCW, to be codified between RCW 18.27.390 and 18.27.900, to read as follows:
 - (1) It is unlawful for any person, firm, partnership, corporation, or other entity to advertise, offer to do work, submit a bid, engage in, conduct, or carry on the business of installing or maintaining wires or equipment to convey electric current, or installing or maintaining equipment to be operated by electric current as it pertains to any potable water or wastewater system pump work as defined in section 1 of this act, without having an unrevoked, unsuspended, and (a) Electrical contractor license as required by RCW unexpired: 19.28.041; (b) certificate of competency as a master journeyman electrician, journeyman electrician, master specialty residential electrician, specialty residential electrician, or a properly supervised electrical trainee, as required by RCW 19.28.161; or (c) a specialty contractor registration with potable water and wastewater pump endorsement, issued by the department in accordance with this chapter.
 - (2) It is unlawful for any person, firm, partnership, corporation, or other entity to advertise, offer to do work, submit a bid, engage in, conduct, or carry on the business of plumbing as it pertains to potable water or wastewater system pump work as defined in section 1 of this act, without having an unrevoked, unsuspended, and unexpired: (a)

Certificate of competency as a journeyman plumber, specialty plumber, properly supervised plumbing trainee, or temporary permit, as required by RCW 18.106.020, and provided in RCW 18.106.070; or (b) a specialty contractor registration with potable water and wastewater pump endorsement, issued by the department in accordance with this chapter.

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- (3) Nothing in section 1 or 4 through 15 of this act requires a person to obtain a specialty contractor with potable water and wastewater system pump work endorsement in order to do potable water and wastewater systems pump work at his or her residence, farm, place of business, or on other property owned by him or her.
- (4) Nothing in this chapter eliminates the requirements of a valid water or wastewater system code, pump installing code, plumbing code, or electrical code enacted by statute or by a political subdivision of the state. However, no code may require the licensee to demonstrate additional proof of competency or obtain any other license or pay a fee to engage in the trade of installing or repairing pumps or pump stations, effluent or lift pumps, conveyance systems, ground source heat pump loops, and irrigation pumps relating to potable water and wastewater systems.
- (5) Each hour of potable water or wastewater system pump work engaged in by an applicant may be claimed by the applicant for the purposes of satisfying the minimum experience requirement necessary to become eligible to take an examination to be certified as competent as either: (a) A pump and irrigation specialty electrician, as provided by RCW 19.28.191(1)(g) in the amount of one hour of work; or (b) a specialty plumber, as provided by RCW 18.106.040(1)(b) in the amount of one hour of work; or (c) both (a) and (b) of this subsection.
- NEW SECTION. Sec. 5. A new section is added to chapter 18.27 RCW, to be codified between RCW 18.27.390 and 18.27.900, to read as follows:

 The following classifications of potable water and wastewater system pump endorsements are established:
- (1) Limited endorsement: A person issued a general endorsement under this section is authorized to perform only potable water or wastewater system pump work relating to pumps, pitless adapters, pressure and storage tanks, filtration equipment, electric controls, conductors, service disconnect, telemetry, auxiliary components, and plumbing or pipe fitting of water or wastewater systems in connection

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with the installation or repair of pumps or pump stations, effluent or lift pumps, conveyance systems, ground source heat pump loops, and irrigation pumps serving one domestic residence, a group domestic system that serves fourteen residences or less, or a business that has twenty-five or fewer full-time employees, which does not involve electrical work other than the extension of a branch circuit that is supplied and installed by others and is not to exceed seven and one-half horsepower at 250 volts AC single phase.

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(2) General endorsement: A person issued a limited endorsement under this section is authorized to perform only potable water or wastewater system pump work relating to pumps, pitless adapters, pressure and storage tanks, filtration equipment, electric controls, conductors, service disconnect, telemetry, auxiliary components, and plumbing or pipe fitting of water or wastewater systems in connection with the installation or repair of pumps or pump stations, effluent or lift pumps, conveyance systems, ground source heat pump loops, and irrigation pumps, which does not involve electrical work other than the electrical connection of circuits, feeders, controls, low voltage, and related telecommunications and services relating to the potable water or wastewater systems.

NEW SECTION. Sec. 6. A new section is added to chapter 18.27 RCW, to be codified between RCW 18.27.390 and 18.27.900, to read as follows:

- (1) Any person applying to register as a specialty contractor with potable water and wastewater system pump endorsement shall, in addition to the information required by RCW 18.27.030, deliver evidence in a form prescribed by the department affirming that the applicant has met the qualifications described in this section.
- (2) Upon receipt of an application to register as a specialty contractor with potable water and wastewater system pump endorsement, in either the general or limited classification, the department shall review the application and determine whether the applicant meets the following qualifications to take an examination for a potable water and wastewater system pump endorsements:
- (a) An applicant for a general endorsement under section 5(2) of this act is eligible to take an abbreviated examination for a general endorsement if, before December 31, 2006, the applicant provides credible documentation demonstrating that the applicant: (i) Was,

during the two consecutive years immediately preceding the effective date of this section, either engaged at least two-thirds of the time in the business of, or continuously employed at least two-thirds of the time by, a contractor engaged in the business of installing, maintaining, or repairing the pressurization and filtration components of potable water or wastewater systems, as described in section 5(2) of this act; and (ii) has attended a training program conducted by or on behalf of the department, as provided under section 8 of this act.

- (b) An applicant for a general endorsement under section 5(2) of this act is eligible to take a standard examination for a general endorsement if the applicant does not meet the requirements of (a) of this subsection and provides credible documentation demonstrating that the applicant has at least four thousand hours of supervised or unsupervised work experience on the pressurization and filtration components of potable water or wastewater systems, as described in section 5(2) of this act. The department may, by rule, provide for the substitution of hours of training for up to two thousand hours of work experience.
- (c) An applicant for a limited endorsement under section 5(1) of this act is eligible to take an abbreviated examination for a limited endorsement if, before December 31, 2006, the applicant provides credible documentation demonstrating that the applicant: (i) Was, during the two consecutive years immediately preceding the effective date of this section, either engaged at least two-thirds of the time in the business of, or continuously employed at least two-thirds of the time by, a contractor engaged in the business of installing, maintaining, or repairing the pressurization and filtration components of potable water or wastewater systems, as described under section 5(1) of this act; and (ii) has attended a training program conducted by or on behalf of the department, as provided under section 8 of this act.
- (d) An applicant for a limited endorsement under section 5(1) of this act is eligible to take a standard examination for a limited endorsement if the applicant does not meet the requirements of (c) of this subsection and provides credible documentation demonstrating that the applicant has at least four thousand hours of supervised or unsupervised work experience on the pressurization and filtration components of potable water or wastewater systems, as described in

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- 1 section 5(1) of this act. The department may, by rule, provide for the
- 2 substitution of hours of training for up to two thousand hours of work
- 3 experience.

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- NEW SECTION. Sec. 7. A new section is added to chapter 18.27 RCW, to be codified between RCW 18.27.390 and 18.27.900, to read as follows:
- (1) Each applicant, other than an individual, seeking to register as a specialty contractor with potable water and wastewater system pump endorsement, shall, in addition to providing the information required by RCW 18.27.030 and section 6 of this act, designate a full-time supervisory employee or owner of the firm to take an endorsement administrator's examination.
- No person may concurrently qualify as an endorsement administrator for more than one contractor. If the relationship of the endorsement administrator with the contractor is terminated, the contractor's registration is void within ninety days unless another endorsement administrator is qualified by the pump installer advisory board. However, if the endorsement administrator dies or is otherwise incapacitated, the contractor's registration is void within one hundred eighty days unless another endorsement administrator is qualified by the pump installer advisory board. The contractor must notify the department in writing within ten days if the endorsement administrator's relationship with the contractor terminates due to the endorsement administrator's death or incapacitation.
- (3) The department must issue an endorsement administrator's certificate to all applicants who have passed the examination as provided in section 9 of this act. The endorsement administrator's certificate must bear the date of issuance, expires on the holder's birthday, and is nontransferable. The certificate must be renewed every three years, upon application, on or before the holder's birthday.
- 31 (a) If the endorsement administrator certificate holder 32 demonstrates to the department that he or she has satisfactorily 33 completed an annual eight-hour continuing education course, the 34 certificate may be renewed by appropriate application without 35 examination unless the certificate has been revoked, suspended, or not 36 renewed within ninety days after the expiration date.

(b) The contents and requirements for satisfactory completion of the continuing education course must be determined by the director and approved by the pump installer advisory board.

- (c) The department must accept proof of a certificate holder's satisfactory completion of a continuing education course offered in another state as meeting the requirements for maintaining a current Washington state certificate if the department is satisfied the course is comparable in nature to that required in Washington state for maintaining a current certificate.
- (4) A fee must be assessed for each endorsement administrator's certificate and for each renewal. An individual holding more than one administrator's certificate under this chapter is not required to pay fees for more than one certificate. The department must set the fees by rule for issuance and renewal of a certificate. The fees must cover, but not exceed, the costs of issuing the certificates and of administering and enforcing the administrator certification requirements of this chapter.
- (5) The department may deny an application for an endorsement administrator's certificate for up to two years if the applicant's previous endorsement administrator's certificate has been revoked for a serious violation and all appeals concerning the revocation have been exhausted. For the purposes of this section only, a serious violation is a violation that presents imminent danger to the public. The certificate may be renewed for a three-year period without examination by appropriate application unless the certificate has been revoked, suspended, or not renewed within ninety days after the expiration date. If the certificate is not renewed before the expiration date, the individual shall pay twice the usual fee. A person may take the endorsement administrator's examination as many times as necessary to pass without limit.
 - (6) The designated endorsement administrator shall:
- (a) Be an owner of the firm or a supervisory employee and be available during working hours to carry out the duties of an endorsement administrator under this section;
- (b) Ensure that all potable water or wastewater system pump work complies with the electrical installation and plumbing laws and rules of the state;
 - (c) Ensure that the proper electrical safety procedures are used;

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1 (d) Ensure that all labels, permits, and licenses required to 2 perform potable water or wastewater system pump work are used;

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- (e) See that corrective notices issued by an inspecting authority are complied with; and
- (f) Notify the department in writing within ten days if the endorsement administrator terminates the relationship with the electrical contractor.
- (7) The department shall not by rule change the endorsement administrator's duties under subsection (6) of this section.
- NEW SECTION. Sec. 8. A new section is added to chapter 18.27 RCW, to be codified between RCW 18.27.390 and 18.27.900, to read as follows:
- 12 (1) The pump installer advisory board is established. The board consists of the following and their alternates:
- 14 (a) The director or the director's designee, who serves as chair of the board;
 - (b) One owner of a contractor that possesses a specialty contractor with potable water and wastewater system pump general endorsement;
 - (c) One owner of a contractor that possesses a specialty contractor with potable water and wastewater system pump limited endorsement;
 - (d) One person employed as a water system pump installer or mechanic by a contractor that possesses a specialty contractor with potable water and wastewater general endorsement;
 - (e) One person employed as a water system pump installer or mechanic by a contractor that possesses a specialty contractor with potable water and wastewater limited endorsement;
 - (f) One licensed water well operator;
 - (g) Two persons who are members of, or nominated by, the electrical board created under RCW 19.28.311; and
- 29 (h) Two persons who are members of, or nominated by, the state 30 advisory board of plumbers, as created by RCW 18.106.110.
 - (2) The director shall appoint all advisory board members and their alternates; and, until December 31, 2006, the members identified in subsection (1)(b) through (f) of this section may be contractors that have applied for or possess the necessary endorsement, selected from among a list of not less than three such persons recommended by the Washington state ground water association, or other statewide trade

association exclusively or primarily representing the interests of persons engaged in potable water and wastewater system pump work.

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- (3) Terms for the appointees are four years unless the appointee voluntarily gives up his or her position or the director removes the appointee for due cause. Due cause includes, but is not limited to: Failure to obtain and maintain, after December 31, 2006, the required endorsement from the department; absence from three consecutive regular scheduled meetings; disregard for the orderly proceedings of the board; or dishonest activities within the attendance of the board. At the first meeting of the board lots must be drawn to determine the initial terms of the first members and alternates. Two members and alternates have four-year terms; two members and alternates have three-year terms; and one member and alternate have a two-year term.
- (4) The board must meet quarterly, but may meet more often to accomplish board business. Alternates do not have a vote unless they are filling in for a board member. The chair is a nonvoting member. However, the chair may vote to break a tie vote among the board.
- (5) The board must carry out all the functions and duties specified The department shall consult with the board in this chapter. regarding: (a) The development and revision of rules necessary to implement this act; (b) the preparation and revision of training programs and competency examinations required under sections 6 and 9 of this act; (c) the administration of the continuing education program relating to persons holding a specialty contractor with potable water wastewater general or limited endorsement; and acceptability and sufficiency of evidence supporting an application to become registered as a specialty contractor with potable water and wastewater general or limited endorsement under the training and abbreviated testing program provided by section 6(2) (a) or (c) of this Upon an affirmative recommendation vote of sixty percent of the members of the advisory board, the department may waive the requirement of completing the abbreviated testing program provided by section 6(2) (a) or (c) of this act.
- (6) Each member of the pump installer advisory board shall receive travel expenses in accordance with RCW 43.03.050 and 43.03.060 for each day in which such a member is actually engaged in attendance upon the meetings of the pump installer advisory board.

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NEW SECTION. Sec. 9. A new section is added to chapter 18.27 RCW, to be codified between RCW 18.27.390 and 18.27.900, to read as follows:

- (1) The department, in consultation with the pump installer advisory board established in section 8 of this act, shall prepare standard and abbreviated competency written examinations to be administered to applicants for specialty contractor with potable water and wastewater general or limited endorsement and related trainee and endorsement administrator examinations. The examination must be constructed to determine:
- 10 (a) Whether the applicant possesses varied general knowledge of the 11 technical information and practical procedures that are identified with 12 the trade of potable water and wastewater installation and maintenance; 13 and
 - (b) Whether the applicant is familiar with the applicable plumbing, electrical, and well construction codes and the administrative rules of the department and the department of ecology pertaining to potable water and wastewater installation.
 - (2) The department shall administer the examination to eligible persons. All applicants shall, before taking the examination, pay a fee to the department.
 - (3) The department shall certify the results of the examination, and shall notify the applicant in writing whether he or she has passed or failed. Any applicant who has failed the examination may retake the examination, upon the terms and after a period of time that the director sets in rule. The director may not limit the number of times that a person may take the examination.
- NEW SECTION. Sec. 10. A new section is added to chapter 18.27 RCW, to be codified between RCW 18.27.390 and 18.27.900, to read as follows:
 - (1)(a) The department shall issue a certificate of registration as a specialty contractor with potable water and wastewater system pump work general or limited endorsement to all applicants who have passed the examination provided for in sections 6, 7, and 9 of this act, and have paid the fee for the certificate. The certificate must bear the date of issuance, and expires on the birthdate of the holder immediately following the date of issuance. The certificate is renewable every other year, upon application, on or before the

birthdate of the holder. The department shall renew a certificate of competency if the applicant: (i) Pays the renewal fee assessed by the department; and (ii) during the past two years, has completed sixteen hours of continuing education approved by the department with the advice of the pump installer advisory board, including four hours related to electrical safety. If a person fails to renew the certificate by the renewal date, he or she must pay a doubled fee. If the person does not renew the certificate within ninety days of the renewal date, he or she must retake the examination and pay the examination fee.

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- (b) The certificate of registration as a specialty contractor with potable water and wastewater system pump work endorsement grants the holder the right to engage in potable water and wastewater system pump work throughout the state and within any of its political subdivisions on any job or any employment without additional proof of competency or any other license or permit or fee to engage in the work. This section does not preclude employees from adhering to a union security clause in any employment where such a requirement exists.
- (2) A person who is indentured in an apprenticeship program approved under chapter 49.04 RCW for potable water and wastewater system pump work within either the plumbing or electrical construction trade or who is enrolled in a training program relating to potable water and wastewater system pump work recognized by the pump installer advisory board may perform potable water and wastewater system pump work if supervised by a certified journeyman plumber, a certified journeyman electrician, a certified pump and irrigation specialty electrician, or a specialty contractor with potable water and wastewater system pump work endorsement. All apprentices and individuals learning potable water and wastewater system pump work must obtain a potable water and wastewater system pump work training certificate from the department. The certificate authorizes the holder to learn potable water and wastewater system pump work while under the direct supervision of a certified journeyman plumber, a certified journeyman electrician, a certified pump and irrigation specialty electrician, or a specialty contractor with potable water and wastewater system pump work endorsement. The holder of the plumbing training certificate must renew the certificate annually. At the time of renewal, the holder must provide the department with an accurate

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list of the holder's employers who employed the holder to engage in 1 2 potable water and wastewater system pump work during the previous year and the number of hours worked for each employer. An annual fee must 3 be charged for the issuance or renewal of the certificate. 4 department shall set the fee by rule. The fee must cover, but not 5 exceed, the cost of administering and enforcing the trainee 6 7 certification and supervision requirements of this chapter. Apprentices and individuals learning potable water and wastewater 8 system pump work must have the training certificates issued under this 9 10 section in their possession at all times that they are performing potable water and wastewater system pump work. They shall show their 11 12 certificates to an authorized representative of the department at the 13 representative's request.

- (3) Any person who has been issued a training certificate under this chapter may perform potable water and wastewater system pump work if that person is under supervision. Supervision consists of a person being on the same job site and under the control of a specialty contractor with potable water and wastewater system pump work endorsement authorized to do the general or limited scope of work conducted by the person under supervision. An individual who has a current training certificate issued under this section and who has successfully completed or is currently enrolled in a potable water and wastewater system pump work training course approved by the department may engage in the same general or limited category of potable water and wastewater system pump work as is permitted to be performed by the person's supervisor, provided that the supervisor is a specialty contractor with potable water and wastewater system pump work endorsement and is on the same job site as the person for a minimum of seventy-five percent of a working day on a one-to-one ratio, unless otherwise provided in this chapter.
- (4) An individual who has a current training certificate and who has successfully completed or is currently enrolled in an approved apprenticeship program or in a technical school program in the potable water and wastewater system pump work in a school approved by the work force training and education coordinating board may work without direct on-site supervision during the last six months of meeting the practical experience requirements of this chapter.

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(5) The training to become registered as a specialty contractor with potable water and wastewater system pump work endorsement must include not less than sixteen hours of classroom training established by the director with the advice of the pump installer advisory board. The classroom training must include, but not be limited to, electrical wiring safety, grounding, bonding, and other related items plumbers need to know to work under RCW 19.28.091.

- (6) All persons who become registered as a specialty contractor with potable water and wastewater system pump work endorsement under section 6(2) (a) or (c) of this act are deemed to have received the classroom training required in subsection (5) of this section.
- NEW SECTION. Sec. 11. A new section is added to chapter 18.27 RCW, to be codified between RCW 18.27.390 and 18.27.900, to read as follows:
 - (1) Contractors shall accurately verify and attest to the trainee hours worked by potable water and wastewater system pump work trainees on behalf of the contractor and that all training hours were under the supervision of a holder of a general or limited potable water or wastewater system pump work endorsement and within the proper ratio, and shall provide the supervising potable water and wastewater system installers' names and license numbers. However, contractors are not required to identify which hours a trainee works with a specific holder of a general or limited potable water and wastewater system endorsement.
 - (2) The department may audit the records of a contractor that has verified the hours of experience submitted by a potable water and wastewater system trainee to the department under this chapter in the following circumstances: Excessive hours were reported; hours were reported outside the normal course of the contractor's business; or for other similar circumstances in which the department demonstrates a likelihood of excessive or improper hours being reported. The department shall limit the audit to records necessary to verify hours for the trainee in question. The department shall adopt rules implementing audit procedures. Information obtained from a contractor under this section is confidential and is not subject to public inspection under chapter 42.17 RCW.

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1 (3) Violation of this section by a contractor is an infraction 2 under this chapter.

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NEW SECTION. Sec. 12. A new section is added to chapter 18.27 RCW, to be codified between RCW 18.27.390 and 18.27.900, to read as follows:

- (1) To maintain a specialty contractor with potable water and limited endorsement, the holder of wastewater general or endorsement shall complete the continuing education requirement as determined by the department, in consultation with the pump installer advisory board. Continuing education units will be on the subjects of potable water and wastewater systems installation, testing, theory, operation, maintenance, pump equipment, tools, safety, installation methods, administrative rules, and electrical and plumbing codes as applied to potable water and wastewater systems. Continuing education units may include other subjects that apply to the potable water and wastewater systems industry as established in rule. Every holder of a certificate of registration issued pursuant to section 10 of this act shall obtain the required continuing education units prior to renewing the endorsement and submit to the department verification of completion statements from approved providers.
- (2) Any organization or individual may apply to the department to become an approved continuing education provider. Continuing education providers will be organizations or individuals with a history of providing continuing education courses that have complied with the requirements for course approval under this section and the rules adopted by the department. Any individual or organization that desires to become an approved provider but does not have a history of providing continuing education courses must submit a comprehensive plan to the department for approval. The department will, in consultation with the pump installer advisory board, develop rules identifying elements of the comprehensive plan and approval criteria. An approved continuing education provider must, at a minimum, develop and implement methods to evaluate its course offerings to determine their effectiveness and the extent to which they meet the needs of persons holding a specialty contractor with potable water and wastewater general or limited endorsement. The continuing education provider must provide, upon request from the department, course evaluations from attendees.

continuing education provider will obtain course approval and credit value before offering the course to licensees for approval. The continuing education provider will present courses consistent with the standards set forth in this section and rules adopted by the department and make the course available to all persons holding a specialty contractor with potable water and wastewater general or limited endorsement and trainees at locations logistically chosen to facilitate the attendance of licensees throughout the state. The department, in consultation with the pump installer advisory board, will establish by rule the procedure for approval of continuing education providers and for sanctions including revocation of approval.

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(3) The department, in consultation with the pump installer advisory board, will adopt by rule methods to approve courses and establish course credit for continuing education units and the amount of continuing education units required by licensees. To be approved for credit, a continuing education course must be of intellectual or practical content, contribute directly to the potable water and wastewater systems industry, promote professional competence or skills, or contribute to licensees' education with respect to their professional or ethical obligations. If a course does not bear entirely on the general requirements for continuing education or the ground water or well construction industry, or if the method of presenting the course is below minimum standards, the department may assign partial credit. Courses must be presented in a suitable setting devoted to the educational activity of the program. The department may approve alternate course curriculum to accommodate the needs of the handicapped, incapacitated, or a licensee who may be out of state for the majority of his or her compliance period. Video, motion picture, or audiotape presentations may be used if a presenter is in attendance at all presentations to comment and answer questions. The course must be opened to all licensed operators and trainees. The department will make available to all interested parties, upon request, a list of all approved continuing education providers and courses. The department must, in consultation with the pump installer advisory board, adopt by rule procedures that allow providers to obtain prior approval of continuing education courses or which may allow providers to obtain postpresentation approval of continuing education courses. The

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- 1 department may, in consultation with the pump installer advisory board,
- 2 establish by rule other requirements for continuing education course
- 3 approval.

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- NEW SECTION. Sec. 13. A new section is added to chapter 18.27 RCW, to be codified between RCW 18.27.390 and 18.27.900, to read as follows:
- 7 (1) The department must charge fees for issuance, renewal, and 8 reinstatement of all certificates of registration, endorsements, 9 permits, and examinations required by sections 6, 7, 9, and 10 of this 10 act. The department must set the fees by rule.
 - (2) The fees must cover the full costs of issuing the certificates of registration, endorsements, permits, devising and administering the examinations, and administering and enforcing this chapter. The costs shall include travel, per diem, and administrative support costs, and the costs associated with support provided by: (a) The plumbing advisory board under chapter 18.106 RCW; and (b) the electrical board under chapter 19.28 RCW.
- 18 (3) All moneys received under this section that the director 19 attributes to the support provided by the: (a) Plumbing advisory board 20 must be deposited in the plumbing certificate fund, as provided by RCW 21 18.106.130; and (b) electrical board must be deposited in the 22 electrical license fund, as provided by RCW 19.28.351.
- NEW SECTION. Sec. 14. A new section is added to chapter 18.27 RCW, to be codified between RCW 18.27.390 and 18.27.900, to read as follows:

An authorized representative of the department may investigate 26 alleged or apparent violations of chapter 18.106 RCW, chapter 19.28 27 RCW, and other laws, codes, and rules governing potable water or 28 29 wastewater system pump work performed within the scope of the 30 endorsement defined in section 5 of this act, and the work defined in section 1(2) of this act. An authorized representative of the 31 department upon presentation of credentials may inspect sites at which 32 a person is doing potable water or wastewater system pump work to 33 34 determine if that person has a relevant license or endorsement issued 35 by the department in accordance with this chapter or chapter 18.106 or 36 19.28 RCW, or is supervised by a person who has such a license or

- endorsement. Upon request of the authorized representative of the department, a person doing potable water and wastewater systems work must produce evidence that the person has the appropriate relevant license or endorsement issued by the department in accordance with this chapter or chapter 18.106 or 19.28 RCW, or is supervised by a person who has such a license or endorsement.
- NEW SECTION. Sec. 15. A new section is added to chapter 18.27 RCW, to be codified between RCW 18.27.390 and 18.27.900, to read as follows:

- (1) An authorized representative of the department may issue a notice of infraction as specified in section 11 of this act to any person doing potable water or wastewater system pump work who does not possess the appropriate certificate or certificates of competency as either (a) a plumber under chapter 18.106 RCW; or (b) an electrician under chapter 19.28 RCW, or both, and who:
- (i) Is performing potable water or wastewater system pump work; and who is offering to do potable water or wastewater system pump work, and fails to produce evidence of being registered as a specialty contractor with a potable water or wastewater system pump work endorsement issued by the department in accordance with section 10(1) of this act, or being supervised by a person who has such an endorsement; or
- (ii) Employs anyone, or offers or advertises to employ anyone, to do potable water or wastewater system pump work, and fails to produce evidence of being registered as a specialty contractor with potable water or wastewater system pump endorsement as required under this chapter.
- (2) A notice of infraction issued under this section must be personally served on the person named in the notice by an authorized representative of the department or sent by certified mail to the last known address provided to the department of the person named in the notice.
- **Sec. 16.** RCW 18.106.020 and 2002 c 82 s 2 are each amended to read 33 as follows:
- 34 (1) Except as provided by section 4(2) of this act, no person may 35 engage in or offer to engage in the trade of plumbing without having a 36 journeyman certificate, specialty certificate, temporary permit, or

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trainee certificate. A trainee must be supervised by a person who has a journeyman certificate, specialty certificate, or temporary permit, as specified in RCW 18.106.070. No contractor may employ a person to engage in or offer to engage in the trade of plumbing unless the person employed has a journeyman certificate, specialty certificate, temporary permit, or trainee certificate. This section does not apply to a contractor who is contracting for work on his or her own residence.

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- (2) No person may engage in or offer to engage in medical gas piping installation without having a certificate of competency as a journeyman plumber and a medical gas piping installer endorsement. A trainee may engage in medical gas piping installation if he or she has a training certificate and is supervised by a person with a medical gas piping installer endorsement. No contractor may employ a person to engage in or offer to engage in medical gas piping installation unless the person employed has a certificate of competency as a journeyman plumber and a medical gas piping installer endorsement.
- (3) No contractor may advertise, offer to do work, submit a bid, or perform any work under this chapter without being registered as a contractor under chapter 18.27 RCW.
- (4) Violation of this section is an infraction. Each day in which a person engages in the trade of plumbing in violation of this section or employs a person in violation of this section is a separate infraction. Each worksite at which a person engages in the trade of plumbing in violation of this section or at which a person is employed in violation of this section is a separate infraction.
- 26 (5) Notices of infractions for violations of this section may be 27 issued to:
- 28 (a) The person engaging in or offering to engage in the trade of plumbing in violation of this section;
 - (b) The contractor in violation of this section; and
- 31 (c) The contractor's employee who authorized the work assignment of 32 the person employed in violation of this section.
- 33 **Sec. 17.** RCW 19.28.041 and 2002 c 249 s 2 are each amended to read as follows:
- 35 (1) Except as provided by section 4(1) of this act, it is unlawful 36 for any person, firm, partnership, corporation, or other entity to 37 engage in, conduct, or carry on the business of installing or

maintaining wires or equipment to convey electric current, 1 2 installing or maintaining equipment to be operated by electric current as it pertains to the electrical industry, without having an unrevoked, 3 unsuspended, and unexpired electrical contractor license, issued by the 4 department in accordance with this chapter. All electrical contractor 5 licenses expire twenty-four calendar months following the day of their 6 7 issue. The department may issue an electrical contractors license for a period of less than twenty-four months only for the purpose of 8 equalizing the number of electrical contractor licenses that expire 9 10 each month. Application for an electrical contractor license shall be made in writing to the department, accompanied by the required fee. 11 12 The application shall state:

- (a) The name and address of the applicant; in case of firms or partnerships, the names of the individuals composing the firm or partnership; in case of corporations, the names of the managing officials thereof;
- (b) The location of the place of business of the applicant and the name under which the business is conducted;
 - (c) Employer social security number;

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- (d) Evidence of workers' compensation coverage for the applicant's employees working in Washington, as follows:
- (i) The applicant's industrial insurance account number issued by the department;
- 24 (ii) The applicant's self-insurer number issued by the department; 25 or
 - (iii) For applicants domiciled in a state or province of Canada subject to an agreement entered into under RCW 51.12.120(7), as permitted by the agreement, filing a certificate of coverage issued by the agency that administers the workers' compensation law in the applicant's state or province of domicile certifying that the applicant has secured the payment of compensation under the other state's or province's workers' compensation law;
 - (e) Employment security department number;
 - (f) State excise tax registration number;
- 35 (g) Unified business identifier (UBI) account number may be 36 substituted for the information required by (d) of this subsection if 37 the applicant will not employ employees in Washington, and by (e) and 38 (f) of this subsection; and

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(h) Whether a general or specialty electrical contractor license is sought and, if the latter, the type of specialty. contractor specialties include, but are not limited to: Residential, pump and irrigation, limited energy system, signs, nonresidential maintenance, restricted nonresidential maintenance, appliance repair, and a combination specialty. A general electrical contractor license 7 shall grant to the holder the right to engage in, conduct, or carry on the business of installing or maintaining wires or equipment to carry electric current, and installing or maintaining equipment, installing or maintaining material to fasten or insulate such wires or equipment to be operated by electric current, in the state of Washington. A specialty electrical contractor license shall grant to the holder a limited right to engage in, conduct, or carry on the business of installing or maintaining wires or equipment to carry electrical current, and installing or maintaining equipment; installing or maintaining material to fasten or insulate such wires or equipment to be operated by electric current in the state of Washington as expressly allowed by the license.

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- (2) The department may verify the workers' compensation coverage information provided by the applicant under subsection (1)(d) of this section, including but not limited to information regarding the coverage of an individual employee of the applicant. If coverage is provided under the laws of another state, the department may notify the other state that the applicant is employing employees in Washington.
- (3) The application for an electrical contractor license shall be accompanied by a bond in the sum of four thousand dollars with the state of Washington named as obligee in the bond, with good and sufficient surety, to be approved by the department. The bond shall at all times be kept in full force and effect, and any cancellation or revocation thereof, or withdrawal of the surety therefrom, suspends the license issued to the principal until a new bond has been filed and approved as provided in this section. Upon approval of a bond, the department shall on the next business day deposit the fee accompanying the application in the electrical license fund and shall file the bond in the office. The department shall upon request furnish to any person, firm, partnership, corporation, or other entity a certified copy of the bond upon the payment of a fee that the department shall set by rule. The fee shall cover but not exceed the cost of furnishing

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the certified copy. The bond shall be conditioned that in any 1 2 installation or maintenance of wires or equipment to convey electrical 3 current, and equipment to be operated by electrical current, the principal will comply with the provisions of this chapter and with any 4 electrical ordinance, building code, or regulation of a city or town 5 adopted pursuant to RCW 19.28.010(3) that is in effect at the time of 6 entering into a contract. The bond shall be conditioned further that 7 the principal will pay for all labor, including employee benefits, and 8 material furnished or used upon the work, taxes and contributions to 9 10 the state of Washington, and all damages that may be sustained by any person, firm, partnership, corporation, or other entity due to a 11 failure of the principal to make the installation or maintenance in 12 13 accordance with this chapter or any applicable ordinance, building 14 code, or regulation of a city or town adopted pursuant to RCW 15 19.28.010(3). In lieu of the surety bond required by this section the license applicant may file with the department a cash deposit or other 16 17 negotiable security acceptable to the department. If the license applicant has filed a cash deposit, the department shall deposit the 18 funds in a special trust savings account in a commercial bank, mutual 19 savings bank, or savings and loan association and shall pay annually to 20 21 the depositor the interest derived from the account.

(4) The department shall issue general or specialty electrical contractor licenses to applicants meeting all of the requirements of this chapter. The provisions of this chapter relating to the licensing of any person, firm, partnership, corporation, or other entity including the requirement of a bond with the state of Washington named as obligee therein and the collection of a fee therefor, are exclusive, and no political subdivision of the state of Washington may require or issue any licenses or bonds or charge any fee for the same or a similar purpose. No person, firm, partnership, corporation, or other entity holding more than one specialty contractor license under this chapter may be required to pay an annual fee for more than one such license or to post more than one four thousand dollar bond, equivalent cash deposit, or other negotiable security.

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(5) To obtain a general or specialty electrical contractor license the applicant must designate an individual who currently possesses a valid master journeyman electrician's certificate of competency, master specialty electrician's certificate of competency in the specialty for

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which application has been made, or administrator's certificate as a general electrical contractor administrator or as a specialty electrical contractor administrator in the specialty for which application has been made.

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(6) Administrator certificate specialties include but are not limited to: Residential, pump and irrigation, limited energy system, signs, nonresidential maintenance, restricted nonresidential maintenance, appliance repair, and combination specialty. To obtain an administrator's certificate an individual must pass an examination as set forth in RCW 19.28.051 unless the applicant was a licensed electrical contractor at any time during 1974. Applicants who were electrical contractors licensed by the state of Washington at any time during 1974 are entitled to receive a general electrical contractor administrator's certificate without examination if the applicants apply prior to January 1, 1984. The board of electrical examiners shall certify to the department the names of all persons who are entitled to either a general or specialty electrical contractor administrator's certificate.

19 **Sec. 18.** RCW 19.28.131 and 2001 c 211 s 8 are each amended to read 20 as follows:

Any person, firm, partnership, corporation, or other entity violating any of the provisions of RCW 19.28.010 through 19.28.141 and 19.28.311 through 19.28.361 shall be assessed a penalty of not less than fifty dollars or more than ten thousand dollars. The department shall set by rule a schedule of penalties for violating RCW 19.28.010 through 19.28.141 and 19.28.311 through 19.28.361. The department shall notify the person, firm, partnership, corporation, or other entity violating any of the provisions of RCW 19.28.010 through 19.28.141 and 19.28.311 through 19.28.361 of the amount of the penalty and of the specific violation by certified mail, return receipt requested, sent to the last known address of the assessed party. Any penalty is subject to review by an appeal to the board, except for any appeal submitted by the holder of a certificate of registration as a specialty contractor with potable water and wastewater system pump endorsement, as provided in section 10 of this act, in which case the appeal provided for under this section shall be transferred from the board to the pump installer advisory board established under section 8

of this act. The filing of an appeal stays the effect of the penalty 1 2 until the board makes its decision. The appeal shall be filed within twenty days after notice of the penalty is given to the assessed party 3 by certified mail, return receipt requested, sent to the last known 4 5 address of the assessed party and shall be made by filing a written notice of appeal with the department. The notice shall be accompanied 6 7 by a certified check for two hundred dollars, which shall be returned to the assessed party if the decision of the department is not 8 sustained by the board. If the board sustains the decision of the 9 10 department, the two hundred dollars shall be applied by the department to the payment of the per diem and expenses of the members of the board 11 12 incurred in the matter, and any balance remaining after payment of per 13 diem and expenses shall be paid into the electrical license fund. 14 hearing and review procedures shall be conducted in accordance with The board shall assign its hearings to an 15 chapter 34.05 RCW. administrative law judge to conduct the hearing and issue a proposed 16 17 decision and order. The board shall be allowed a minimum of twenty days to review a proposed decision and shall issue its decision no 18 19 later than the next regularly scheduled board meeting.

NEW SECTION. Sec. 19. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

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